## Tennessee Revenue Estimates

Fiscal Years 2004-05 and 2005-06

Presented to

**Tennessee State Funding Board** 

James W. White Executive Director

Dan Cooper Assistant Director

**Fiscal Review Committee** 

December 9, 2004

#### SCHEDULE SHOWING 2004-05 AND 2005-06 REVENUE ESTIMATES FOR ALL FUNDS BY FISCAL REVIEW STAFF ACCRUAL COLLECTIONS

#### ACTUAL PERCENT **PERCENT** ACCRUAL INCREASE FRC STAFF FRC STAFF INCREASE COLLECTIONS **ESTIMATES** OVER **ESTIMATES** OVER REVENUE SOURCE FY 03-04 FY 04-05 COMMENTS FY 03-04 FY 04-05 FY 05-06 4.1 (2) SALES & USE TAX \$5,810,784,300 \$6,049,026,000 \$6,309,134,000 4.3 <sup>3)</sup> 1.6 4) **GASOLINE TAX** 599,326,500 608,929,000 618,063,000 1.5 MOTOR FUEL TAX 167,731,000 168,491,000 0.5 174,388,000 3.5 GASOLINE INSPECTION TAX 62,377,500 63,420,000 1.7 64,168,000 2.8 MOTOR VEHICLE REG. TAX 238.486.700 244.449.000 2.5 254.227.000 4.0 INCOME TAX 139,991,600 142,791,000 2.0 [5) 145,647,000 2.0 5 PRIVILEGE TAX - LESS EARMARKED<sup>1)</sup> 246,086,300 253,469,000 3.0 261,073,000 3.0 GROSS RECEIPTS TAX: TVA 202,743,400 213,649,000 5.4 215,785,000 1.0 OTHER 12.3 16,385,100 18,400,000 18,952,000 3.0 BEER TAX 17,391,200 17,704,000 1.8 18,058,000 2.0 2.5 ALCOHOLIC BEVERAGE TAX 35,705,200 37,133,000 4.0 38,061,000 FRANCHISE & EXCISE TAX 1.197.803.600 1.176.804.000 $(1.8)^{7}$ 1.206.224.000 2.5 INHERITANCE TAX 90,718,400 85.000.000 $(6.3)^{9}$ 90,000,000 5.9 TOBACCO TAX 119,689,000 121,484,000 122,699,000 1.5 1.0 MOTOR VEHICLE TITLE FEES 11,284,000 11,510,000 2.0 11,717,000 1.8 MIXED DRINK TAX 40,769,200 42,400,000 4.0 43,672,000 3.0 **BUSINESS TAX** 94,924,600 98,722,000 4.0 101,684,000 3.0 1,200,000 SEVERANCE TAX 998,200 20.2 1,200,000 --AMUSEMENT TAX 784.700 500.000 (36.3)500.000 **TOTAL REVENUES** \$9,093,980,500 \$9,355,081,000 2.9 \$9,695,252,000 3.6 CURRENT REVISED EST. FY 04-05 SALES TAX \$6,096,600,000 FRANCHISE & EXCISE TAX \$1,146,100,000 **ALL FUNDS** \$9,372,800,000 EST. OVERAGE/SHORTAGE COMPARED TO FY 04-05 REVISED ESTIMATE: ALL FUNDS (\$17,719,000) GENERAL FUND (\$7,481,000)

FOOTNOTES SHOWN ON THE ATTACHED SHEET

#### FOOTNOTES FOR SCHEDULE 1

- 1) PRIVILEGE TAX COLLECTIONS ARE REDUCED BY \$33,000,000 EACH YEAR FOR THE EARMARKED PORTION OF THE TAX.
- 2) THE 4.1% INCREASE REFLECTS AN ESTIMATED GROWTH RATE OF 4.5% FOR DECEMBER-JULY 05.
- 3) THE 4.3% INCREASE ASSUMES THE INCREASE IN SALES TAX COLLECTIONS FOR FY06 WILL NOT CHANGE SIGNIFICANTLY OVER THE LAST EIGHT MONTHS OF FY05.
- 4) THE 1.6% INCREASE ASSUMES COLLECTIONS FOR THE LAST EIGHT MONTHS OF FY05 WILL BE APPROXIMATELY THE SAME AS THE LAST EIGHT MONTHS OF FY04.
- 5) THE FY05 AND FY06 ESTIMATED COLLECTIONS REFLECT MODEST INCREASES AFTER A 20% INCREASE FOR FY04.
- 6) THE TOTAL INCLUDES APPROXIMATELY \$21,000,000 IN ESTIMATED ONE-TIME COLLECTIONS FROM LEGISLATION PASSED WHICH REQUIRES QUARTERLY PAYMENTS EQUAL TO ONE-FOURTH OF THE CURRENT YEAR'S COMBINED FRANCHISE AND EXCISE TAX LIABILITY.
- 7) THE 1.8% DECREASE ASSUMES COLLECTIONS FOR FY05 WILL EQUAL RECURRING COLLECTIONS REALIZED DURING FY 04 OF \$1,176,804,000. THIS TAKES INTO ACCOUNT THE 13.6 INCREASE IN COLLECTIONS FOR THE FIRST FOUR MONTHS OF FY05 AND ASSUMES A 3.3 DECREASE IN COLLECTIONS FOR THE LAST EIGHT MONTHS OF FY04.
- 8) THE ESTIMATED 2.5% INCREASE ASSUMES A MODEST INCREASE IN COLLECTIONS FOR FY06.
- 9) THE 6.3% DECREASE ASSUMES THAT COLLECTIONS FOR THE LAST EIGHT MONTHS OF FY05 WILL BE ABOUT THE SAME AS THE LAST EIGHT MONTHS OF FY04.

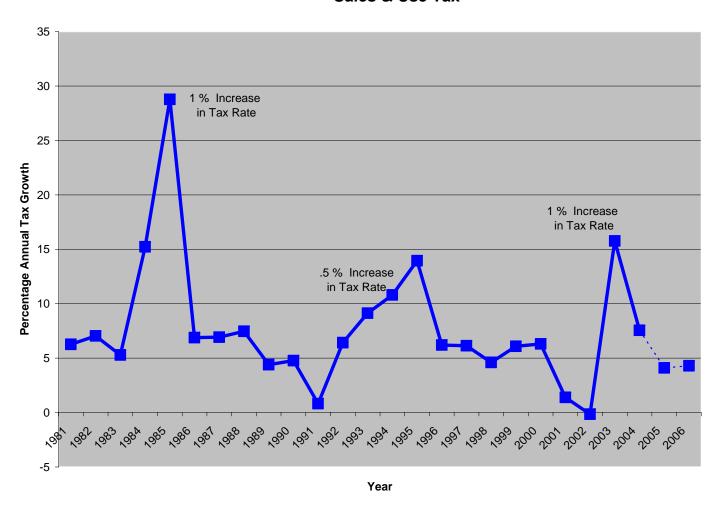
#### SCHEDULE SHOWING FISCAL REVIEW STAFF REVENUE ESTIMATES FOR ALL FUNDS AND THE GENERAL FUND FOR FISCAL YEAR 04-05

	ALL FUNDS	GENERAL FUND
REVENUE SOURCE	FY 04-05	FY 04-05
SALES & USE TAX	\$6,049,026,000	\$5,786,498,000
GASOLINE TAX	608,929,000	10,169,000
MOTOR FUEL TAX	168,491,000	3,151,000
GASOLINE INSPECTION TAX MOTOR VEHICLE REGISTRATION TAX	63,420,000	18,620,000
	244,449,000	53,168,000
INCOME TAX	142,791,000	109,949,000
PRIVILEGE TAX	253,469,000	253,469,000
GROSS RECEIPTS TAX:		
TVA	213,649,000	128,980,000
OTHER	18,400,000	15,920,000
BEER TAX	17,704,000	12,715,000
ALCOHOLIC BEVERAGE TAX	37,133,000	31,901,000
FRANCHISE & EXCISE TAX	1,176,804,000	1,034,304,000
INHERITANCE TAX	85,000,000	85,000,000
TOBACCO TAX	121,484,000	121,484,000
MOTOR VEHICLE TITLE FEES	11,510,000	8,810,000
MIXED DRINK TAX	42,400,000	23,723,000
BUSINESS TAX	98,722,000	98,722,000
SEVERANCE TAX	1,200,000	436,000
AMUSEMENT TAX	500,000	500,000
TOTAL	\$9,355,081,000	\$7,797,519,000

# SCHEDULE SHOWING FISCAL REVIEW STAFF REVENUE ESTIMATES FOR ALL FUNDS AND THE GENERAL FUND FISCAL YEAR 05-06

FISCAL LEA	1	
	ALL FUNDS	GENERAL FUND
REVENUE SOURCE	FY 05-06	FY 05-06
SALES & USE TAX	\$6,309,134,000	\$6,035,318,000
GASOLINE TAX	618,063,000	10,322,000
MOTOR FUEL TAX	174,388,000	3,261,000
GASOLINE INSPECTION TAX	64,168,000	18,840,000
MOTOR VEHICLE REGISTRATION TAX	254,227,000	55,294,000
INCOME TAX	145,647,000	112,148,000
PRIVILEGE TAX	261,073,000	261,073,000
GROSS RECEIPTS TAX:		
TVA	215,785,000	130,269,000
OTHER	18,952,000	16,397,000
BEER TAX	18,058,000	12,969,000
ALCOHOLIC BEVERAGE TAX	38,061,000	32,698,000
FRANCHISE & EXCISE TAX	1,206,224,000	1,063,724,000
INHERITANCE TAX	90,000,000	90,000,000
ТОВАССО ТАХ	122,699,000	122,699,000
MOTOR VEHICLE TITLE FEES	11,717,000	9,017,000
MIXED DRINK TAX	43,672,000	24,434,000
BUSINESS TAX	101,684,000	101,684,000
SEVERANCE TAX	1,200,000	436,000
AMUSEMENT TAX	500,000	500,000
TOTAL	\$9,695,252,000	\$8,101,083,000
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ESTIMATED DOLLAR GROWTH OVER FRC ESTIMATE FOR FY 04-05	\$340,171,000	\$303,564,000

### Sales & Use Tax



\* 2005 AND 2006 Percentages are Projections by Fiscal Review Committee Staff

